FBIS DAILY REPORT

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ARGENTINE FOREIGN MINISTER ON CONTADORA EFFORTS

PY131641 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2251 GMT 12 Jan 86

[Text] Caracas, 12 Jan (NA) -- Argentine Foreign Minister Dante Caputo today said he believes "the time has come to take concrete measures to ensure peace in Nicaragua." He revealed that the document signed by the group of countries supporting the Contadora Group says: "We condemn foreign interference, whatever side it comes from, because "noninterference is a universal principle."

Shortly after signing the document, Caputo noted that "Argentina does not emphasize the pressures from any side in particular," but "we will continue our efforts to keep this conflict from becoming a new East-West conflict." Caputo then added: "If we do not Latin Americanize the problem, its solution will become harder every day." He pointed out that "since there are some who worry that we should condemn one country and forget to condemn the other, we must recall that not condemning one country and remembering to condemn the other is also false and dangerous."

In comments to NOTICIAS ARGENTINAS, the Argentine foreign minister said that the meeting held in this city was "very positive," because "we did not limit ourselves to making theoretical considerations but defined the way to implement concrete actions." He pointed out that "the second part of the document commits us to a tenacious diplomatic action to find support for our work," which will begin tomorrow in Guatemala when the foreign ministers who attended this meeting will attend the inauguration of Vinicio Cerezo as the new president of that country.

Caputo said: "Tomorrow, not wasting any time, we will start talking to different political interlocutors and seeking support." At the same time, a direct diplomatic action will be started through the ambassadors of the eight countries [four in the Contadora Group and four in the Support Group]." He explained that this action will include the presentation of the [Caracas] document to the Governments of the United States, Canada, Belgium, and India (which holds the chairmanship of the Nonaligned Movement), as well as to those of the 12 EEC countries.

Caputo said that "all this is very positive," because "after a period of shared concern, here and today the process has been assured and strengthened" with "our actual request to the Contadora Group not to stop the negotiations." He added: "We believe we have done something that is reasonable, balanced, and just, because it contemplates the interests of everyone and requests concrete actions from everyone to ensure peace. Caputo then said: "We fundamentally emphasize equilibrium, because the principle of noninterference cannot be applied partially."

The document approved today contains in the first part several recommendations which, according to Caputo, "set down the permanent basis for the establishment of peace" and "call upon the responsibility of the parties to ensure peace." Fundamentally, Caputo added, "in this document we clearly expressed our position," noting that "we do not emphasize the pressures from any side," except for the fact that "this conflict cannot be allowed to become another conflict between the major powers."

Asked about the repercussions in Argentina of his statement at Ezeiza Airport before departing for Caracas, the foreign minister replied that "my specific answer that elicited criticism was taken out of context, because I referred only to a possibility that was raised at the time."

Caputo recalled that "when I was asked whether we would support the installation of a Marxist-Leninist government, I reiterated our well-known position" that "we will never unfurl that banner," and proceeded "to see what raised the commotion."

Several political leaders have criticized Caputo's statement that the Nicaraguan conflict cannot be solved "so long as that country continues to be a base for the East or its allies." As an explanation, Caputo said: "Our government has made sufficient statements on this matter, and therefore my comments must not be taken out of context." He added that "it suffices to read carefully the actions recommended in the document to understand that we do not condemn interference from one side alone."

The Argentine foreign minister will travel tonight to Guatemala, where he will head the Argentine delegation attending the inauguration of that country's new constitutional president, Vinicio Cerezo. In this regard, Caputo said: "We are very happy that Guatemala is about to enter a new democratic period." He added: "Latin America is experiencing a very special situation with the emergence of democratic systems in the brotherly countries."

Caputo did not dismiss the possibility that "efforts might be made for closer ties with Guatemala in the near future," but noted that "at this time we will only express the happiness of the Argentine Government and people"

CONSALVI URGES CANADA TO JOIN PEACE EFFORTS

PA131826 Paris AFP in Spanish 1750 GMT 13 Jan 86

[Text] Caracas, 13 Jan (AFP) -- Venezuelan Foreign Minister Simon Alberto Consalvi issued a call here today for Canada to actively join in the peace efforts in Central America. Consalvi said: "We are absolutely certain of the importance that Canada has in this region of the world and the good will it has been expressing to contribute to the peace process."

Consalvi and his colleagues of Argentina, Brazil, Colombia, Mexico, Panama, Peru, and Uruguay approved a new "message for peace, security, and democracy in Central America," in Caraballeda on Sunday. The ambassadors of these eight countries, "who represent more than 90 percent of Latin America," Consalvi maintained, will deliver to the governments of Ottawa, Washington, Havana, and "the 12" of Europe copies of the Caraballeda message.

The Contadora Group (Mexico, Colombia, Panama, and Venezuela) and its Support Group (Argentina, Brazil, Peru and Uruguay) defined in Caraballeda what they believe are the bases for peace in Central America, agreed to give a new boost to the signing of a peace treaty, and offered their good offices for the continuation of the dialogue among all the factors in controversy in the area. "Caraballeda expressed a Latin American political will that must be duly interpreted by all the parties involved," Consalvi concluded.

ARGENTINE, BRAZILIAN, URUGUAYAN LEADERS TO MEET

PY131607 Madrid EFE in Spanish 2010 GMT 12 Jan 86

[Text] Buenos Aires, 12 Jan (EFE) -- Argentine Foreign Ministry sources told EFE today that the Argentine, Brazilian, and Uruguayan Governments are preparing a "summit meeting" for February in Montevideo.

At the meeting, the chiefs of state of the three young South American democracies will discuss a lengthy agenda in which the subject of the foreign debt "will not be left out." Presidents Raul Alfonsin of Argentina, Jose Sarney of Brazil, and Julio Maria Sanguinetti of Uruguay will analyze new strategies for the payment of the debt, the possibilities of increasing trilateral cooperation, and the strengthening of democracy in the three countries. The Argentine Foreign Ministry sources confirmed to EFE that "intense negotiations have been held over the last few days" to prepare for the meeting in the second half of February.

Since Uruguay is one of the largest "per capita" debtors in Latin America, and while Brazil and Argentina are the first and third debtors of the subcontinent in absolute terms, it is expected that the possibility of coordinating their negotiations and dealings with the international banks to refinance the foreign debt will be discussed.

Meanwhile, observers have pointed out the repeated visits by high-ranking U.S. officials and personalities to the three South American countries. In this regard, it has been noted that the United States has allegedly decided to support and grant "privileges" to the process of consolidating democracy in this part of the continent. Influential banker David Rockefeller is currently visiting Argentina and Uruguay, a fact interpreted by political circles as an expression of support for the economic policies being implemented in the two countries. Democratic Senator Edward Kennedy has also included these three countries in his current Latin American tour, clearly demonstrating his support for the democratic governments.

A position acknowledging and appreciating this support will reportedly be assumed by Argentina, Brazil, and Uruguay, but at the same time they will "firmly" demand the end of protectionism by the developed Western powers, as well as the removal of trade barriers to regional products and the reduction of the international interest rate.

The sources also told EFE that despite the fact that there are points in common that make cooperation among the three countries feasible, the three chiefs of state cannot ignore their different situations. While Brazil has attained a high degree of industrial growth, Argentina still has not been able to break away from its dependency on its agricultural and livestock sectors, and Uruguay has much less promising economic potential than the other two countries. In addition, inflation in Argentina has been nearly stopped with the implementation of the Austral Plan, while in contrast Brazil suffered 200-percent price increases in 1985.

Argentina has reached an agreement with the IMF and submitted to a strict internal adjustment, while Brazil has rejected this possibility and has renegotiated its debt with the private creditors. In turn, Argentine economic officials have told EFE that "the development of the Austral Plan is being followed closely" in Brasilia.

In any event, Argentine officials are hopeful that "the points in common will permit an interesting complementation in various fields." In this sense, the Argentine Foreign Ministry sources believe that a mechanism similar to the Cartagena Consensus may be established after the meeting to "follow up" on the foreign debt negotiations and other regional problems.

CAPUTO TO VISIT USSR OFFICIALLY IN LATE JANUARY

PY140259 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0243 GMT 14 Jan 86

[Text] Buenos Aires, 13 Jan (NA) -- The press office of the Argentine Foreign Ministry announced today that Foreign Minister Dante Caputo will make an official visit to the Soviet Union in late January. Caputo's visit confirms unofficial reports of the last few weeks which also indicated that President Raul Alfonsin would visit the Soviet Union next July.

Alfonsin's visit to the Soviet Union would be the first by an Argentine president in the history of Argentine-Soviet relations.

POLITICAL YOUTH LEADERS PROTEST ROCKEFELLER VISIT

PY140148 Buenos Aires TELAM in Spanish 2328 GMT 13 Jan 86

[Text] Buenos Aires, 13 Jan (TELAM) -- A group of political youth leaders participated this evening in several incidents in front of the American Club, in Buenos Aires, protesting the presence in Argentina of banker David Rockefeller. The demonstrators began a march at the Obelisk at 2000 and walked down Nueve de Julio Avenue up to Cerrito and Viamonte Streets, where the American Club is located.

In view of the situation, the personnel on guard at unit 22, which is located next to the club, cordoned off the area to prevent any incidents. Meanwhile, the youths began throwing objects at the club's facade.

Shortly after 2010, a water cannon that was parked in front of the club had to be used when a yellow Dodge parked at Viamonte Street was set on fire. Police immediately began throwing tear gas grenades.

The march was staged by youths from the Peronist, Intransigent, People's Front, and Christian Democratic Parties, and from the Malvinas Veterans' League.

Police Attack Demonstrators

PA140016 Paris AFP in Spanish 2352 GMT 13 Jan 86

[Text] Buenos Aires, 13 Jan (AFP) -- Violent incidents broke out Monday night in Buenos Aires between police and approximately 5,000 persons participating in a demonstration to repudiate the visit of U.S. banker David Rockefeller to the country. The incidents broke out when the police prevented the crowd from reaching the American Club, located a few meters from the Colon Theater, in the city's center.

The incidents were sparked by the burning of a car, after which police fire trucks attacked the demonstrators with water cannon, and the infantry guard -- the riot police -- hurled tear gas grenades.

Rockefeller arrived in Argentina on Saturday to preside over a meeting of the Society of the Americas, which is being held today and tomorrow in Buenos Aires.

NAVY OFFICER DENIES SOUTH AFRICAN ARMS LINK

PY131747 Buenos Aires DYN in Spanish 1520 GMT 11 Jan 86

[Excerpts] Buenos Aires, 11 Jan (DYN) -- A reliable Argentine Navy official today denied categorically any connection between the Argentine Navy and an illegal French weapons sale to South Africa, violating the UN-imposed embargo on South Africa because of its policy of apartheid. "No Navy unit is involved either directly or indirectly in this problem, which we know of only through the press," the official consulted told DYN.

The Paris correspondent of the Argentine newspaper CLARIN, Francois Lepot, today reported that a great scandal was unleashed on a television program in Copenhagen affecting the Danish and French Governments, "as well as Argentina" through its Navy. Lepot reported that the scandal "is over the sale of weapons transported on five trips by a Danish ship sailing from the port of Bordeaux to have been delivered to the Argentine Navy but which were sent to the South African port of Durban."

Lepot's article explains the scandal in detail, the French Government's categorical denial of the charges, and the uncomfortable situation the Argentine Navy may be left in if the whole case is not cleared up. Lepot states that before a trial begins, "it must be verified whether there has been official complicity or an approved resale by Buenos Aires, or if either the Argentine or French documents were forged."

The scandal has had its greatest repercussions in Paris, where the French Defense Ministry immediately categorically denied any involvement in the operation. In turn, Danish Navy officials have said that the shipping documents establish that the weapons were meant for the Argentine Navy. "This is false," the high-ranking Argentine Navy officer told DYN.

It must be recalled that Argentine military junta governments maintained close ties with South Africa, exchanging information and maintaining large military representations, especially in the naval field, in the two countries. Navy officers of the two countries who have served in South Africa and Argentina gather on the same day in Pretoria and Buenos Aires (forming a sort of club) for friendship meetings.

Independent military observers do not rule out the possibility that "unofficial contacts" have been made without the knowledge of the naval staff [passage indistinct] permitting the execution of the operation using forged documents with the complicity of retired Navy officers.

INFORMATION MINISTER DENIES BEDREGAL RESIGNING

PY131918 Madrid EFE in Spanish 1752 GMT 13 Jan 86

[Text] La Paz, 13 Jan (EFE) -- In statements to EFE, Bolivian Information Minister Reynaldo Peters today denied that Planning Minister Guillermo Bedregal had resigned. He also said that there is no cabinet crisis whatsoever. On 12 January unofficial sources reported that Bedregal had resigned.

A local radio station reported that Minister Bedregal had himself confirmed his resignation and that in a letter addressed to President Victor Paz Estenssoro the head of the economic team submitted his resignation "for personal reasons."

The information minister said there is no reason for Bedregal to want to leave. "There are no discrepancies within the government, and there is no reason for Bedregal to decide to leave the cabinet team," Peters told EFE. Peters blamed the reports on the resignation of the designer of the economic policy on sectors that want to create an atmosphere of confusion.

Peters said the president's team will remain united to confront the problems that will arise in the near future as a consequence of the economic crisis. He said the first quarter will be "very hard" because of the workers' economic demands and because of the effort the government will have to make to confront the crisis with a realistic and responsible approach.

Bedregal Confirms Resignation

PY140153 La Paz Cadena Panamericana in Spanish 0000 GMT 14 Jan 86

[Excerpts] The resignation of Planning and Coordination Minister Guillermo Bedregal has been confirmed. The first partial cabinet crisis since the inauguration of the MNR [Nationalist Revolutionary Movement] government on 6 August 1984 has occurred. Bedregal told Panamericana that he tendered his resignation to President Estenssoro last weekend.

[Begin recording] [Unidentified reporter] Minister Bedregal, has the president accepted your resignation?

[Bedregal] No, he has neither accepted my resignation nor told me that I would retain my post, because the problem does not involve just one person: one swallow does not a summer make. The problem here requires a major readjustment to contribute to promoting this historic effort and sacrifice the president has undertaken. [end recording]

Later, Bedregal said that since the president has not yet made a decision regarding his resignation, everything is in the president's hands. After noting that his resignation is not irrevocable, Bedregal said that if the president accepted it, he would continue to fight for his political principles elsewhere.

COUNCIL CREATED FOR NEW ECONOMIC POLICY

PY131701 La Paz Cadena Panamericana in Spanish 1130 GMT 13 Jan 86

[Text] The government will review this week the economic policy it implemented on 29 August 1985, because a number of distortions had appeared as of 15 December.

This decision was reached at a cabinet meeting held over the weekend. The National Stabilization and Development Council has been created to make the adjustments and implement the new economic policy of the current government. The main objective of this new organization will be to maintain a constant watch over the country's economic behavior and to define monetary, fiscal, and tax policies.

The National Stabilization and Development Council will be presided over by President Victor Paz Estenssoro; the planning and coordination minister will be the vice president of the council; and the ministers of the economic area will be members. It will be similar to a small cabinet council, which the president has deemed necessary in order to supervise, with the maximum decision-making power, the economic policies of the country. It will in no way replace the National Economy and Planning Council, because the two councils will function independently for the benefit of the country.

The first task of the National Stabilization and Development Council will be to review the economic measures that may be necessary to adjust the implementation of the new economic policy.

SWISS COMPANY CONTRACTED TO CONTROL TRADE

PY131652 La Paz Cadena Panamericana in Spanish 1130 GMT 13 Jan 86

[Excerpts] A Swiss company has been contracted to promote [as heard] the country's exports and imports. Through Decree 21170, the government has authorized the work of Societe Generale de Surveillance. The decree authorizes the Finance Ministry to contract, on behalf of the state, the services of the company, which is headquartered in Geneva, Switzerland, for the task of inspecting and controlling Bolivian foreign trade.

When the inspections satisfy the Societe Generale de Surveillance, it will issue a certificate of consent that will make it possible for the goods to enter or leave the country. But when the inspections do not satisfy the Swiss company, the goods may not enter or leave through the customs posts.

COMIBOL DECLARES MINEWORKERS STRIKE ILLEGAL

PY111302 La Paz Cadena Panamericana in Spanish 1130 GMT 11 Jan 86

[Text] The Mining Corporation of Bolivia [Comibol] has made a statement regarding the national 48-hour strike ordered by the Mineworkers Federation. Comibol has released a document saying:

Comibol regrets the hasty action taken by the Mineworkers Federation, whose national assembly has declared a 48-hour general strike beginning on Monday, 13 January.

The document then states that the strike is illegal according to the labor legislation in force in Bolivia. It further warns that Comibol will not pay strikers for the day they do not report to their work places. The document then says:

Comibol General Council and its executives exhort all workers to consider carefully the serious consequences to the enterprise and its personnel of extreme measures which preclude the continuation of the dialogue in search of solutions.

In turn, spokesmen of the Mineworkers Federation said that the strike was decided by a national meeting, attended by delegations from all mining districts. Thus it is not true that this is the result of maneuvers by a few leaders. In addition, there are valid reasons to hold the strike, the spokesmen said.

BANK OFFICIAL: $20 MILLION OF UN FUND RECEIVED

PY112125 Paris AFP in Spanish 1439 GMT 10 Jan 86

[Text] La Paz, 10 Jan (AFP) -- Bolivian Central Bank President Fernando Paz reported here today that so far Bolivia has received only $20 million from the UN $150-million emergency fund. He said that the payments that have already been made came from the Colombian Government and the Andean Development Corporation [CAF], while contributions promised to the emergency fund by other countries are still awaited.

Bolivian Planning Minister Guillermo Bedregal said there has been much discussion about this matter. Bedregal reported that the IMF assumed the trusteeship of the emergency fund to help overcome the Bolivian economic crisis. The major sponsors of the emergency fund were UN Secretary General Javier Perez de Cuellar and Venezuelan President Jaime Lusinchi.

PRC TO INVEST $6.5 MILLION IN AGRARIAN PROGRAM

PY101430 Paris AFP in Spanish 1431 GMT 9 Jan 86

[Text] La Paz, 9 Jan (AFP) -- According to a letter of intent signed by representatives of the PRC and Bolivian Governments during a ceremony at the Foreign Ministry today, the PRC will invest $6.5 million in agrarian programs in Bolivia.

Xiao Sing, who presides over the PRC delegation now visiting the country, explained that the cooperation will consist of increasing rice crops in Trinidad, Beni Department, in the north; peanuts and soybeans in Villamontes, in the south; tea in upper Beni, in the northwest; and improving irrigation in Cochabamba, in the center of the country.

DAILY ALLEGES $3-BILLION ARMS DEAL WITH ARABS

PY140253 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Jan 86 p 11

[Excerpts] The game involving military equipment transactions at the international level is so complicated and nebulous that the contracts Brazil and Saudi Arabia signed on 20 December were preceded by events worthy of an spy novel. Although officially denied, the contracts were actually signed. They involve sales of $1.3 billion during the first 3 years. If we also consider the industrial cooperation programs, the amount will grow to as much as $3 billion.

According to reporter Dalton Moreira, there was tremendous agitation behind the scenes on 28 December when FOLHA revealed the details of the deal, because the contracts established that nothing was to be made public. The Brazilian manufacturers involved in the deal -- particularly Engesa [Specialized Engineers, Inc] and Avibras [Brazilian Aerospace Industry] -- fearing that the Arabs might think the companies were indiscreet, visited the Saudi Embassy in Brasilia and Itamaraty in an effort to have the embassy release a note to the press. The note came 9 days ago and stated that "the report is totally groundless." Denials are also part of the game.

Yet there were other reasons for this obvious reaction. Embraer [Brazilian Aeronautics Company] the third Brazilian manufacturer involved in the deal, has been under strong pressure from the Pilatus company since mid-December. Pilatus is a Swiss plane manufacturer that builds the TC-9, which is a competitor of the Tucano, a plane that is still undergoing prototype tests. The Swiss lost a contract with the British Royal Air Force, which they had taken for granted, to the Brazilian firm. The three Brazilian manufacturers are headquartered in Sao Jose dos Campos, 97 km northeast of Sao Paulo.

Therefore, in the Brazilian case it is impossible to evaluate arms exports on the basis of the data supplied by Cacex [Foreign Trade Department] which, for example, has reported exports of $108 million under the unusual heading of "sport and game ammunition" during the first 9 months of 1985. This is very likely to serve as camouflage for military equipment sales.

It is also known that under the terms of the contracts, Saudi Arabia will import Brazilian materiel worth $500 million in 1986 and $400 million in each of the 2 following years. However, the figure will be as high as $3 billion if we also consider the equipment that the Arabs will build with a Brazilian licence. This is the case of the 39-ton Et-Osorio tank, which is fitted with a 1,000 hp motor and can reach a speed of 65 km an hour. The cost of each tank ranges from $1.5 to $1.8 million. Engesa will export 500 tanks, which will be built with increasing participation of the Saudi industries, which will produce some parts that will be installed in the tanks during the assembly process.

There is a final major detail. From the very beginning, Saudi Arabia was among the potential buyers of the tank, because despite Saudi denials, Saudi Arabia provided part of the $54 million the Brazilian industry needed to develop the tank.

Ministry Denial

PY140257 Paris AFP in Spanish 0215 GMT 14 Jan 86

[Text] Brasilia, 13 Jan (AFP) -- The Brazilian Foreign Ministry tonight denied reports disseminated in recent days by the local press on alleged sales of Brazilian arms to Libya and Saudi Arabia. In an official note, the Brazilian Foreign Ministry also denied Brazilian press reports that a Libyan mission will arrive in Brazil in February to conclude negotiations for the purchase of Brazilian arms.

Further Report

PY140300 Madrid EFE in Spanish 1908 GMT 13 Jan 86

[Excerpt] Brasilia, 13 Jan (EFE) -- Acting with extreme caution, Brazil is preparing for negotiations to conclude the sale of $1 billion worth of arms to the Libyan regime of Mu'ammar al-Qadhdhafi. A Brazilian Foreign Ministry spokesman told EFE today that no date has yet been set for the arrival in Brasilia of Libyan Foreign Liaison Secretary 'Ali 'Abd al-Salam al-Turayki, but the Libyan Embassy announced that the minister will arrive in February.

FOLHA DE SAO PAULO reported today that a senior Libyan Embassy official visited 2 weeks ago the arms and aviation factories located in Sao Jose dos Campos, 97 km from Sao Paulo, to evaluate their prices. According to the newspaper, the Libyans seek to purchase -- in addition to arms -- manufactured items and technology for the installation of steel, petrochemical, food, textile, electronic, and light weapons industries.

If the deal is concluded, Brazil will become one of the main arms suppliers for the Middle East. FOLHA DE SAO PAULO reiterated last weekend that on 20 December Brazil signed contracts with Saudi Arabia covering arms sales for a total of $1.2 billion over the next 3 years and industrial cooperation programs totalling $3 billion.

In a telephone call to EFE, the Saudi Embassy has denied this report.

SARNEY, KENNEDY DISCUSS ECONOMIC SITUATION

PY101507 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Jan 86 p 5

[Excerpt] Brasilia -- President Jose Sarney and U.S. Democratic Senator Edward "Ted" Kennedy agreed on all topics discussed during their 40-minute talk of 8 January at the Planalto Palace, officially held to commemorate the 25th anniversary of the "Alliance for Progress" program created by the late President John Kennedy. The topics discussed were: the foreign debt; relations of the United States with the countries of the Third World; the Brazilian political situation; U.S. protectionism and its affects on the Brazilian economy; inflation; the government's social programs; and even the drought in the southern part of the country. The "Alliance for Progress" was mentioned only at the end of the meeting, when President Sarney received an album commemorating the 25 years of the program and recalled having given the name "Alliance" to a road paved when he was the governor of Maranhao State.

Both Kennedy and Sarney were optimistic when referring to economic problems. The senator expressed solidarity with the Brazilian position regarding the foreign debt and termed the debt a political rather than an economic question. In the interest of the two countries, he defended a solution for the Brazilian debt based on mutual respect and without threatening Brazilian economic growth.

SARNEY VIEWS DROUGHT, ANNOUNCES RELIEF MEASURES

PY121927 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Jan 86 p 23

[Message by President Jose Sarney on his program "Talks by the Radio" on 10 January: "Speculation Must be Avoided."]

[Excerpts] "Dear Brazilians, this is President Jose Sarney addressing you.

Today's subject is the drought that is affecting our southern region, especially our most productive fields.

For those who believe that to govern is just to construct and dedicate works, to appoint and dismiss people, this is a moment when they can see that such is not the case. We are constructing something that is not seen, because it pertains to government decisions that demand work, a lot of energy, and a careful evaluation of the facts.

For more than a month now, I have been closely following the problems created by this long drought in the southern region.

It so happens that the drought, which harms and brings desperation to the farmers who lose harvests, also demands that we avoid speculation. The prospect of a scarcity of commodities stimulates thoughts of profits, and this must be fought.

Our inflation is being stimulated by the prices of agricultural products, and their production has been reduced by the long drought.

The time has come to help the farmers to whom Brazil owes so much. They are the ones who sustain the largest part of our exports, by providing the products with which we obtain dollars abroad.

The government is adopting measures.

In the first place, the debts will not be foreclosed. All the farmers in the region affected by the drought who borrowed from either private or state banks to plant their 85/86 harvest and who were unable to pay their debts because of the drought, do not worry: Your land titles will not go to the public notary's office. Through the Central Bank, the government has decided that all private and state banks that granted agricultural loans must renegotiate the debts with their clients, studying each case individually.

The government has also decided to grant an emergency loan of 3,600,000 cruzeiros to the small farmers affected by the drought, so that they can meet the basic needs of their families. These emergency loans will be available until 15 March at the banking agencies of their respective municipalities.

As you can see, we are dealing with all the ramifications of the central-southern region drought. We are doing everything from aiding the victims to combating high prices, not to mention the energy issue, which has forced us to reduce the production levels of the hydroelectric plants because of the low water levels. We will probably have to adopt measures to save energy.

Brazil will come out all right. The drought will pass, and we will continue growing.

Thank you very much.

PRESIDENT'S ECONOMIC ADVISER POSITION ABOLISHED

PY111225 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Jan 86 p 25

[Excerpt] "We are walking on a tightrope. Any prediction about the economic situation in our country is mere speculation. This is a very difficult moment to predict anything. As things stand, if the government steps too hard on the public deficit brake, it generates recession; if it steps too softly, it generates inflation."

That statement was made yesterday afternoon by the special adviser on economic affairs of the Presidency, Luiz Paulo Rosemberg, shortly before he walked to the third floor of the Planalto Palace to formally submit his resignation to President Jose Sarney. The position of special adviser on economic affairs will be abolished, because the President accepted not only Rosemberg's resignation but also his recommendation in this regard.

BRIEFS

NEW MILITARY COMMAND -- The Western Military Command, with jurisdiction over the states of Mato Grosso do Sul, Mato Grosso, and Rondonia, was officially installed today. Army Minister Leonidas Pires Goncalves, who participated in the ceremony, said it was not necessary to create an operation control unit in the Pantanal. The commander of the new unit is General Everaldo de Oliveira Reis. [Text] [Brasilia Domestic Service in Portuguese 2100 GMT 10 Jan 86 PY]

INTERIOR MINISTER VIEWS GOVERNMENT GIVING UP POWER

PY131530 Madrid EFE in Spanish 1722 GMT 12 Jan 86

[Excerpt] Santiago, 12 Jan (EFE) -- Chilean Interior Minister Ricardo Garcia has asserted that General Augusto Pinochet's government "does not wish to perpetuate itself in power," but that it cannot be expected to "end its term early."

In comments to the newspaper EL MERCURIO, Garcia said that "there are many who preach that Chile has a government with no end, and that it only desires to perpetuate itself in power. There is nothing more untrue."

Garcia added: "This is absolutely contrary to the thinking of the government which, free of any form of pressure, has tried to establish the path to be followed through the Constitution." But it cannot be "expected that a government that abides by the Constitution end its term early."

LABOR MINISTER SAYS KENNEDY 'ENEMY' OF COUNTRY

PY132049 Santiago Domestic Service in Spanish 1630 GMT 13 Jan 86

[Excerpt] According to Labor and Social Welfare Minister Alfonso Marquez de la Plata, the labor directorate must decide on the legitimacy of the Confederation of Copper Workers elections within 90 days. Minister Marquez expressed this opinion to reporters after a ceremony at which he dedicated the computer network of the (?EFP habitat).

Marquez also spoke about U.S. Senator Edward Kennedy's visit to Chile, saying that not only is Kennedy an enemy of the government, but of the whole country. Kennedy, he said, has demonstrated this by his harmful actions against the Chilean people.

[Begin Marquez recording] Well, I fully agree with what has been said by some people, that this gentleman is an enemy of the country. He is a person who at a time when we were having or could have had problems with some countries or our neighboring countries created a serious problem for our country. Therefore, I believe him to be [word indistinct] an enemy of Chile. [end recording]

Let us recall that Senator Edward Kennedy will arrive in Chile to undertake political maneuvers to try to harm Chile's image abroad.

MINISTER ON 1985 PERFORMANCE, 1986 PROJECTIONS

PY110058 Santiago EL MERCURIO In Spanish 5 Jan 86 pp A1, A10

[Excerpts] Economy Minister Juan Carlos Delano has predicted a 3 to 5 percent GDP growth for 1986, in contrast with 2 percent GDP growth in 1985. He also said that inflation in 1986 should be between 15 and 20 percent.

In a press conference yesterday, the economy minister reported on his ministry's activities in 1985 and made public projections for 1986, emphasizing that one of the government's main objectives is to reduce unemployment to 11 percent annually.

Minister Delano said monetary policy has been designed "to meet the requirements of an economy in the recovery process, so that a GDP growth of 3 to 5 percent and an inflation rate of 15 to 20 percent can be attained, in addition to a realistic interest rate that is higher than inflation and compatible with the real profitability of investments, the fiscal adjustment, and the balance of payments."

As for fiscal policy, the minister said he would try to manage public expenditure and its financing "in such a way as to sitmulate domestic economic activity, productive employment, and exports, while ensuring the fulfillment of public savings goals and the development of private activities."

He added the foreign exchange policy "will ensure a high rate of exchange and moderate customs fees over the medium term so that the export industry can be stimulated and the import-substituting industry can be protected, thus giving stability to the external sector."

The minister made the following projections for 1986: an unemployment rate of 11 percent: a public sector deficit of 2.3 percent of the GDP; a current account deficit of $1.3 billion; and a balance-of-payment surplus of $835 million. He noted that on 31 December the 1985 target of a $700-million surplus was surpassed.

Regarding the performance of the economy last year, the minister pointed out that although the GDP growth goal of 2 to 4 percent was met, "the fact that only the lower range was achieved can be explained by the drop in the price of exports, which caused a loss of nearly $300 million."

He reported that "the inflation rate was about 25 percent, as planned, despite the incidence of adverse factors such as the relative shortage of vegetables that pushed inflation upward."

The minister went on to say that the public sector deficit was held at the acceptable level of 3.5 percent of GDP, "despite the earthquake in March. This demonstrates excellent financial management and makes it possible to lower interest rates."

The economy minister said that the reduction of the current account deficit to $1.32 billion resulted from an adequate volume of exports and the decline in interest rates.

BRIEFS

FLEET COMMANDER SWORN IN -- Admiral John Howard Balaresque today was sworn in as commander of the Chilean fleet [Summary] [Santiago Domestic Service in Spanish 2200 GMT 10 Jan 86 PY]

AMBASSADOR TO BRAZIL CONFIRMED -- The Chilean Foreign Ministry has announced that the Brazilian Government has approved the appointment of Raul Schmidt as new ambassador to Brazil. Schmidt will replace Javier Illanes, who has been appointed to the OAS. [Summary] [Santiago Radio Chilena in Spanish 2200 GMT 10 Jan 86 PY]

DEFENSE MINISTRY DENIES INFILTRATING REBEL GROUPS

PA130322 Madrid EFE in Spanish 0145 GMT 13 Jan 86

[Excerpts] Bogota, 12 Jan (EFE) -- The Colombian Defense Ministry has denied that Army members have infiltrated the guerrilla organizations to carry out an intelligence mission, as a rebel leader told the press.

Colonel Eduardo Arevalo Castaneda, head of the Defense Ministry's information and press office, rejected statements by Javier Delgado, leader of the Ricardo Franco Front, regarding the murder of 164 people who were allegedly military intelligence agents who had "infiltrated" the organization.

Delgado, an alias of Jose Fedor Rey, told journalists at a camp in the country's southwest that he was "proud" of having killed 158 people who he said were "military intelligence agents."

In its issue of this past Saturday, EL TIEMPO newspaper published a picture of six chained men who had been accused of being Army members "who infiltrated the movement." According to the correspondent, "they were probably shot."

Regarding several pictures that had been published of identification papers of those who had been accused and murdered, the Defense Ministry source also said: "None of these people appears in our files as a member of a security organization."

PARDONED EX-ELN GUERRILLA SHOT, KILLED

PA120417 Madrid EFE in Spanish 2016 GMT 11 Jan 86

[Text] Bucaramanga, Colombia, 11 Jan (EFE) -- Adan Pabon Portilla, a former member of Colombia's pro-Castro Army of National Liberation (ELN) who had accepted the government's amnesty, was killed today, the police have reported.

Pabon Protilla, 23, who fought with the ELN for several years, was shot several times by an unidentified group in a rural region of Surata municipality, east of Bucaramanga, in the northwestern part of the country.

According to a police source, it was apparently "an action by his former comrades-in-arms, who viewed him as a traitor" after he accepted the amnesty.

After accepting the amnesty, the pardoned ex-guerrilla member had dedicated himself to farming activities, and there he found his death.

RICARDO FRANCO FRONT CHALLENGES OTHER GROUPS

PA131619 Madrid EFE in Spanish 1350 GMT 13 Jan 86

[Text] Cali (Colombia) 12 Jan (EFE) -- The Ricardo Franco Front today challenged other guerrilla organizations in the country in propaganda and slogans left on the bodies of two unidentified men, with visible signs of torture on them, found by the authorities in Buga, western Colombia.

"We advocate the use of weapons. We want peace. We challenge 19 April Movement (M-19) Revolutionary Armed Forces of Columbia (FARC) and the Popular Liberation Army (EPL) to carry out extortion, blackmail and kidnapping. Commander Pablo," the message pinned to the clothes of the unidentified bodies found by police indicated, Radio Cadena CARACOL reported.

The bodies of the unidentified men, who had been tortured and shot, were found in two different places in Buga.

Police said that the men's hands had been tied behind their backs and their necks showed signs that they had been tied and beaten.

The authorities reported that the first man received five shots after he was tortured and the other was shot 12 times.

With the appearance of these messages, it was confirmed that the Ricardo Franco Front broke up with the National Guerrilla Coordinating Board, CNG, made up of organizations that include M-19, FARC, and the EPL.

The CNG was created in Cauca Department, in southwest Colombia, four months ago, but after the discovery of 30 common graves with more than 100 bodies of Ricardo Franco Front guerrillas in them who had been accused of being "infiltrators" of the military forces, the group was expelled.

Javier Delgado, alias J!se Fedor Rey, top leader of the Ricardo Franco Front, a FARC dissident group, admitted that the massacre of 164 people had occurred and said that he was "proud" of the massive crime.

The authorities began a necrodactyloscopic (necrodactiloscopica) investigation to establish the identity of the two bodies found in Buga, Caracol concluded.

BETANCUR APPROVES NEW POLITICAL REFORM

PA100424 Madrid EFE in Spanish 0134 GMT 10 Jan 86

[Text] Bogota, 9 Jan (EFE) -- Colombians will be able to elect their city and municipal mayors beginning with the elections to be held on 8 March 1988, when one of the most important political reforms of the current century will go into effect.

Colombian President Belisario Betancur signed today legislative bill No 1 of 1986, amending the political constitution, within the framework of a "Summit of the Top Government Authorities" held at the House of Narino.

According to the approved law, the mayors will be elected by the people for two-year terms; none can be re-elected to a consecutive term.

Since the time of Colombia's independence in 1819, city and municipal mayors have been directly appointed by the regional leaders throughout the country, and the mayor of Bogota is appointed by the president of the Republic.

The law, which amended the Constitution, also specifies that "no one can be elected simultaneously as mayor and congressman, deputy or council member of an intendancy."

The law adds that "congressmen cannot be elected among mayors during the first half of their constitutional term" of 4 years, and points out that the "violation of this rule annuls both elections."

Lastly, the law officially announced today by Betancur establishes that the president of the Republic, the governors, and intendants "in the specific cases provided by the law will be able to suspend or dismiss the mayor of the Special District (Bogota) and the other mayors, according to their respective provisions."

GOVERNMENT NATIONALIZES 4 FINANCIAL ENTERPRISES

PA130437 Buenos Aires REUTER in Spanish 0237 GMT 12 Jan 86

[Text] Bogota, 11 Jan (REUTER) -- The Colombian Government has nationalized the so-called Gran Colombiano group after establishing that it had gone bankrupt. The Bank of Colombia is part of this financial group. Colombian Minister of Finance Hugo Palacios Mejia made this announcement in a statement released to the press.

Along with the nationalization of the aforementioned group last night, the government also ordered the immediate capitalization of the following four financial enterprises: Bank of Columbia; Gran Colombiana Corporacion Financiera S.A.; Commercial Gran Colombiana de Promociones S.A.; and Comercial Gran Colombiana S.A.; a commercial financing company.

This is the second time that the government of President Belisario Betancur has resorted to the nationalization of financial institutions by government decree. The first time was the nationalization of the Banco del Estado in 1982.

Minister Palacios did not rule out the possibility of the nationalization of other organizations. "If it becomes necessary to apply this measure again, it will be announced, as was done in the case of the Bank of Colombia and the other four enterprises, Palacios said.

Savers, clients, and creditors of the affected enterprises can be at ease. There is nothing to fear because their interests have been safeguarded, Minister Palacios pointed out.

BRIEFS

NEW AMBASSADOR APPOINTED -- Luis Gonzalez Barros, the current Colombian ambassador to the FRG, has been appointed nonresident ambassador to Kuwait, Oman, and the United Arab Emirates. [Text] [Bogota EL TIEMPO in Spanish 4 Jan 86 p 6-a PA]

COCAINE SEIZED BY CUSTOMS -- Customs officials have confiscated a 30-kilo package of cocaine en route to San Andres. The 30 kilos of cocaine were 98 percent pure and would bring approximately 40 million pesos. The person who carried the package said it contained food and medicine for the hospital in San Andres but, given the strict security measures enforced by customs, the package was inspected. [Summary] [Bogota Television Service in Spanish 0000 GMT 10 Jan 86 PA]

1985 COFFEE EXPORTS -- Colombia exported a total of 9,965,787 sacks of coffee weighing 60 kilos each during 1985, which brought in $1.57 billion, in foreign exchange, according to a report from the National Federation of Colombian Coffee Growers (FEDECAFE). Of the total exports, 9,111,886 sacks were sold to International Coffee Organization member countries, while only 853,901 sacks went to nonmember countries. [Text] [Paris AFP in Spanish 1634 GMT 8 Jan 85 PA]

COLUMNIST ADVISES STROESSNER TO TAKE CONTROL

PY131834 Asuncion HOY in Spanish 13 Jan 86 p 10

[From "HOY's Commentary" column by H.D.D.: "For You, Mr President"]

[Text] In how many skirmishes and battles have you been involved, either to defend or to win! It is unbelievable that at this time you should lower your guard and withdraw your troops because of an incorrect move by one of your subordinates.

Show your strength and react, because the Armed Forces are with you, but the politicians are not. I am not sure if I am right, but I do believe that the Armed Forces should be stronger and more united than ever. Since we have had wars and revolutions in the past, the Armed Forces this time must act in a definite manner.

The Colorado Party is divided and you know it; the other political parties are divided and you know it. In view of so many divisions, only the Armed Forces can take action. You should recognize that you are responsible for the tranquillity of this country, its future, and our children's future. If we want to continue to live in a Paraguay that is better all the time, we must work with ambition and determination, but also in order and discipline. And we must live by the call on our national flag: Peace, Order, and Progress.

COLORADO PARTY REACTS TO KENNEDY STATEMENT

PY131812 Asuncion HOY in Spanish 13 Jan 86 p 12

[Text] Dr Juan Ramon Chaves, who is the chairman of the Colorado Party Executive Board and president of Congress, has said: "Kennedy is wrong. We are not undergoing a democratization process. For many years now, our country has lived under a democratic government. Therefore, it is necessary to take this into account."

Chaves pointed out that the fact that a small group of people or politicians talk about democracy does not mean that our country does not have a democratic government. "I hope all those small groups will become political parties and will participate, along with the Colorado Party, in our constitutional and democratic system."

PATRIA Commentary

PY131826 Asuncion PATRIA in Spanish 13 Jan 86 p 11

[Unattributed commentary: "This Ineffable Ted..."]

[Text] Ted Kennedy is the last representative of an unfortunate family of great political influence in his country, the United States.

An unfortunate family because a few have died tragically. One of them, a World War II pilot, was killed in combat. Another, a President, was murdered in Dallas. And another, a presidential candidate and close aide to his murdered brother, was also murdered in California.

An unfortunate family because the survivor, let us not say the worst, does not remotely reach the virile, political, and moral quality of his deceased brothers, nor does he have the slightest degree of their charisma.

That brave slain pilot, or that young and much loved President, or that energetic attorney general who dared to confront the corruption in his country's government circles would have never fled, drunk, from that little stream where his secretary was drowning in 1 meter of water.

But he did.

And that was his moral and political death. Despite this, he insists on refloating an image of a democratic censor, which perhaps may be in keeping with his last name but not with his human weaknesses.

And it is this character who travels to South America. He was in Brazil and Argentina, that is, very near Paraguay. However, he did not come here to see, to verify, or to "talk." Like the three wise monkeys, which sometimes are not wise but stupid, he did not see, hear, or speak. But he voiced judgments. He voiced unfounded judgments.

Why didn't he come here?

Because the legend thrust into his mind must be kept alive, and it would not be good politics to face reality.

That is one reason. Another one could be that he may really believe that we are all mean, fierce, and lowly, and he was not brave enough to come, like he was not brave enough to stay in that little stream.

No wonder he says he does not aspire to his country's presidency. Despite his many deficiencies, he probably knows himself.

EXILED POLITICIAN LAINO DENIES TERRORISM LINKS

PY112341 Madrid EFE in Spanish 2330 GMT 10 Jan 86

[Text] Buenos Aires, 10 Jan (EFE) -- Domingo Laino, vice president of the Authentic Radical Liberal Party [PLRA], today denied having any links with "terrorist groups," as Paraguayan Interior Minister Augusto Montanaro has charged.

Laino told EFE: "I doubt that Minister Montanaro said that, because he has access to excellent intelligence services, which never could have reported to him that either I or Luis Resck, a Christian Democrat, have links with subversives." He added that "we have always worked under the principle of active nonviolence, and it is not our intention to commit subversive activities."

He recalled that his wife and four children are in Paraguay, "which is further evidence that I am not engaged in subversive activity against my country."

Laino expressed satisfaction with the Paraguayan Government's action in allowing writer Augusto Roa Bastos to return to the country. He added that this measure "opens a good perspective for our return."

"This will contribute to peaceful coexistence in Paraguay, and this time it was the turn of my friend Roa Bastos, who can do much for my country's culture," Laino said.

The PLRA leader, who has been living in exile in Argentina since 1982, said that "one out of three Paraguayans live in exile," although "not all of them for political reasons, but for economic reasons, since they left to seek better living conditions."

Laino also said the Catholic Church's offer to serve as a mediator between the opposition and General Stroessner's regime to seek a negotiated solution for a transition to democracy was "very auspicious."

"All Paraguayans should be dedicated to reducing the political tension in the country. Our society is being degraded, therefore we must try to pacify spirits in order to construct the kind of society we want within a nonviolent framework," Laino said.

Asked about the possibility of reconciliation in his country, Laino said: "We all share in the responsibility."

"Obviously, Stroessner and his group have the greatest responsibility because they are in government. They must open the valves to relieve the tense situation. There is a lot of tension in Paraguay," he said.

Laino believes that his return, as well as that of Christian Democrat leader Luis Resck, would contribute to the normalization of the political process in Paraguay.

He also appealed to opposition members and government leaders, asking them to "give in" on some points in order to reach the "consensus" necessary for a "peaceful transition to democracy."

"This problem must be solved by Paraguayans," he said. "I regret that some political leaders make appeals to foreign governments in order to exert pressure on my country's government. We should end this constant struggle. We must begin a dialogue, in this sense, the church's attitude is fundamental."

Domingo Laino, who tried to return to Paraguay last Christmas and was stopped at the Puerto Falcon frontier post across the border from the Argentine town of Clorinda, said that his main wish is to return to Paraguay "as soon as possible" to be able to contribute to "the peaceful transition."

EXILED AUTHOR ROA BASTOS NO LONGER BARRED

PY100217 Madrid EFE in Spanish 0045 GMT 10 Jan 86

[Excerpts] Asuncion, 9 Jan (EFE) -- In announcing that only Luis Alfonso Resck and Domingo Laino are not allowed into the country, General Alfredo Stroessner's government today accepted the return of exiled author Augusto Roa Bastos. Interior Minister Sabino Montanaro stated that all those in exile may return except for Christian Democrat Resck and Liberal Laino.

This is the first time that Roa Bastos, whose most famous book is entitled "I, The Supreme," was not included on the list of opponents in exile who were barred from returning to the country.

Montanaro said that neither Resck nor Laino will be allowed to return "because they are subversive elements and we fear they may come and stir up violence." The interior minister said that these two exiled opposition leaders "are connected with terrorist groups."

Roa Bastos, who was granted Spanish citizenship in 1984, was expelled in 1982 charged with "inculcating communist ideas among the youth."

In late 1983, General Stroessner's government allowed the return of political exiles belonging to the Popular Colorado Movement (MOPOCO), a splinter group of the Colorado Party.

GOVERNMENT DEALS WITH FOOD SUPPLY SHORTAGE

PY120250 Paris AFP in Spanish 2039 GMT 11 Jan 86

[By Hugo Levano]

[Text] Lima, 11 Jan (AFP) -- A serious shortage of essential foodstuffs which caused a Cabinet minicrisis was studied today by President Alan Garcia, Agriculture Minister Remigio Morales, Transportation Minister Jose Murguia, and Lima Prefect Jorge de Castillo.

In the meantime, the government mobilized Army trucks to bring the first supplies of the harvest of 30,000 tons of potatoes to Lima from the Andean Department of Huanuco, 450 km northeast of Lima. Also, a fleet of large refrigerated trucks was traveling to the capital from Paita port, 1,000 km north of Lima, with 400 tons of frozen fish donated by the Cuban fishing vessels Rio Damuji and Rio dellas Casas.

Prime Minister Luis Alva Castro received the shipment delivered by the Cuban fishing vessels in accordance with an agreemnet reached with Cuban President Fidel Castro early this month.

Morales, who on 9 January replaced Mario Barturen in the Agriculture Ministry, announced to the morning daily LA REPUBLICA the importation of 2,600 tons of beef from Paraguay and Argentina. These three products as well as poultry, which are under price controls and essential to the diet of the Lima population, practically disappeared from the markets and could only be obtained at high price.

The supply shortage was attributed to the difference between official and real prices as well as to the action of speculators who hoarded the food waiting for higher prices. Morales wants a flexible price-control agreement with producers.

The lack of organization in the wholesale markets, where the speculators of potatoes, fish, and vegetables operate and fix prices which the small retailers must pay also contributed to the food shortage and the unrest of the population. Potatoes, which officially had to be sold at 2.35 intis per kilogram (the Inti is the new Peruvian currency equal to 1,000 soles or about $.06), could not be obtained for less that 6 intis. Finally, after Minister Barturen's resignation, officials agreed with wholesalers to fix the price of potatoes at 2.90 intis per kilogram.

Also, in order to break the power of the food speculators, officials decided to sell potatoes, which had been brought from Huanuco by military trucks, directly in the neighborhood markets.

Morales said that Lima needs 22,000 tons of potatoes per month but production is only 20,000 tons. Therefore, negotiations are being conducted to import potatoes from Chile to cover the deficit.

Regarding poultry, which is officially priced at 14 intis per kilogram, Morales said that it is not a problem of price but of greater demand due to the shortage of beef. The production of about 10.5 million chickens per month was not sufficient and this situation helped speculators increase prices by 50 percent.

In order to temporarily deal with this situation, the minister announced the importation of poultry by air from Porto Alegre, Brazil.

This decision will force the government to subsidize this product by $.25 per kilogram, to keep the price at 15.5 intis per kilogram for the public.

The shortage of red meat caused in part by the reduction of supplies in the Andean zone due to the rainy season was eased with the sale of mutton from New Zealand at 18 intis per kilogram as compared to 34 intis per kologram which is the official price for beef, which is sold clandestinely for 40 intis per kilogram.

Also, mistakes in the distribution of high-quality rice created a shortage, but the state food warehouses have 50,000 tons in storage which is sufficient for 2 and ½ months consumption in Lima.

STATE COMPANY TO WORK BELCO'S FORMER HOLDINGS

PY120204 Madrid EFE in Spanish 0032 GMT 12 Jan 86

[Text] Lima, 11 Jan (EFE) -- The Peruvian Government has created the Sea Petroleum Company [Empresa Petrolera del Mar], which will extract oil from the northern contintal shelf, where the U.S. Company, Belco Petroleum, had been operating until recently.

Negotiations between the company and the government for a new oil exploiting contract ended, unsuccessfully last month.

Other oil companies, Occidental Petroleum and the U.S.-Argentine consortium Occidental-Bridas, have accepted the new contracts and continue to operate in Peru.

Petroleos del Mar is an independent state company, which will be a subsidiary of the State Petroleum Agency [Petroperu] with the objective of undertaking different oil activities in Peruvian waters.

The decree ordering the creation of Sea Petroleum was published today in the official government publication EL PERUANO.

'TERRORISTS' SHOOT CIVIL GUARD COMMANDER

PY111444 Lima Panamericana Television Network in Spanish 0200 GMT 11 Jan 86

[Excerpts] Two unidentified persons, believed to be terrorists, this morning seriously injured Civil Guard [CG] Lieutenant General Juan Oscar Vera Calderon, whom they shot four times at almost point blank range. The officer was attacked in Brena, as he was leaving for this office at the Interior Ministry.

According to reports released at the Civil Guard 2d region headquarters, Commander Vera Calderon used to belong to the Civil Guard antidrug department and occasionally joined the fight against subversion in the red zone in Ayacucho.

LUSINCHI: NO CHANGE IN POLICY AFTER RESHUFFLE

PA101429 Caracas Television Service in Spanish 0000 GMT 10 Jan 86

[Excerpts] While installing the new Cabinet ministers President Jaime Lusinchi stated that the reshuffle of ministers and governors does not mean a change in policy and that, therefore, there will be administrative continuity. The president also acknowledged and expressed his gratitude for the work done by the outgoing ministers.

[Begin recording] [Unidentified reporter] The participants in the ceremony began arriving at Miraflores Palace at 1100. After the oath-taking ceremony, President Lusinchi walked out of the room and into the palace corridors to talk with the newly appointed officials and their relatives. We were able to interview him and our first question was: What was the reason for the decision, for the changes in the cabinet and governorships?

[Lusinchi] The replacement of a Cabinet minister or governor does not necessarily constitute a judgment on his or her work. Very often, for strictly political reasons -- the subject of which is quite ample and abstruse at times -- just a little touch-up, a slight change in course, or a reorientation are required. This is normal, in fact. The constitution specifically empowers the president to appoint or remove his cabinet ministers and governors at will.

[Question] Does this talk about changes in men also mean changes in policies?

[Lusinchi] No. I already told one of your impish [as heard] colleagues that this is not necessarily so. They involve adjustments to the same policies. The fact is, there cannot be any other policies because the current ones are suited to the country's current circumstances and exigencies. That is why I took the liberty of saying back there that no personal touch can be attributed to the policies we have pursued. These are the government's and the president's policies. No minister can manipulate me enough to be able to say that he has set a policy at a given moment. I establish the policies and the ministers implement them. [end recording]

BRIEFS

COAL RESERVES -- Caracas, 7 Jan (AFP) -- According to an Energy and Mines Ministry study, Venezuela has an estimated 9,169,000,000 tons of coal reserves and 92 percent of these reserves are located in the Guasare river basin in the country's northwest, less than 100 km from the Colombian border where the state plans to produce between 6 and 12 million metric tons in the next decade. The country's current coal production is barely 52,000 metric tons per year. [Text] [Paris AFP in Spanish 1455 GMT 7 Jan 86 PA]

COCAINE SEIZED -- An intelligence team from the Armed Forces of National Cooperation seized 5 kg of cocaine in Maracaibo last night with the support of National Guard Command No 3. General Julio Santos Corredor Ruiz, chief of National Guard Command No 3 of the National Guard, reported that Eleazar Gamboa and Jose Montiel Fernandez were caught selling the drug at Los Arcos bar. [Summary] [Caracas EL NACIONAL in Spanish 29 Dec 85 p d-20 PA]

NORIEGA: 'ECONOMIC TERRORIST GROUP' SEEKS POWER

PA131934 Panama City LA PRENSA in Spanish 10 Jan 86 p 1 a

[Article by Alfredo Jimenez Velez]

[Excerpt] Expanding on his remarks to foreign newsmen, when he also reaffirmed his charge about an alleged plan by a terrorist group to attack the Panama Canal, General Manuel Antonio Noriega has said that there is "a permanent economic terrorist group in Panama that is seeking power" and to attain it, it would even "sell its soul to the devil."

Noriega added that this group of economic power exists because the late General Torrijos "seized political, but not economic power from the oligarchy." According to the commander of Panama's Defense Forces, this was a mistake made by Torrijos "because he thought that by letting them live they were going to help Panama...but the reality is different."

Accusations Against the Opposition

Although Noriega did not identify the economic terrorist group, just as he did not identify the alleged group that was to attack the canal, there is no doubt that his accusations were addressed to figures of the opposition. This seems to be confirmed by remarks made by the most prominent members of the state.

DELVALLE STARTS EFFORTS FOR PEACE IN GUATEMALA

PA140206 Panama City Televisora Nacional in Spanish 0000 GMT 14 Jan 86

[Text] During his visit to Guatemala to attend the inaugural ceremoney of the new Guatemalan president, Eric Arturo Delvalle, president of the republic, this afternoon started direct efforts for peace in Central America. Panamanian newsman Demetrio Olaciregui sent the following report from Guatemala:

[Begin Olaciregui recording] President Eric Delvalle has become one of the main figures in the activities of the inauguration of the new Guatemalan President, Christian Democrat Vinicio Cerezo.

Delvalle, who arrived in Guatemala at noon today, met this afternoon with President Daniel Ortega of Nicaragua and Napoleon Duarte of El Salvador, to continue reactivating the Contadora Group's peace efforts. At the end of the meetings, the Panamanian chief of state said the exchange of views was positive and significant progress in the negotiations is expected shortly.

This evening, the Contadora Group, the Support Group, and the Central American foreign ministers, will meet at the Venezuelan Embassy, in another effort to reach an agreement to promote the peace efforts.

The inauguration of President Cerezo thus gains special significance because parallel to it, the Central American presidents, President Belisario Betancur, of Colombia, and U.S. Vice President George Bush, will meet here.

Some 30 representatives of nations friendly to Guatemala are here in Guatemala City to attend the inauguration, which is scheduled to start at 1000.

This is the first time in 31 years of military dictatorships that a civilian government will be installed in power. The Guatemalan capital is calm and the citizens seem to be unaware of the significance of the events and the delegations present in this capital.

This was a report for Televisora Nacional Channel 2 from Guatemala City by Demetrio Olaciregui. [end recording]

CANAL OFFICIAL ON TOPICS FOR NEXT BOARD MEETING

PA100236 Panama City Televisora Nacional in Spanish 0000 GMT 9 Jan 86

[Text] Oyden Ortega, member of the Board of Directors of the Panama Canal Commission [PCC], has said that the increased Panamanian control of the Panama Canal and the completion of the studies for the expansion of the Gaillard Cut are two main topics on which the Panamanian team will insist at the next meeting of the PCC Board of Directors.

[Begin Ortega recording] We hope for the approval of a program that will replace top U.S. executives with Panamanians. Another point on the agenda is the expansion of the Gaillard Cut. In this meeting, a special committee for the Gaillard Cut ends its duties; therefore, this places us on the verge of a political decision to be taken between the two governments. We believe that this great project should generate national interest in view of its magnitude and its implications for the improvement of the Canal. A decision on the completion of all the technical studies on the expansion of the Gaillard Cut can indeed be reached at this meeting. [end recording]

ARAB COUNTRIES REPORTEDLY OFFER TO PAY OFF DEBT

PA120358 Panama City EL SIGLO in Spanish 11 Jan 86 p 1

[Report by Yali Enrique Pitti and Jorge Calvo]

[Text] Completely reliable sources close to our Foreign Ministry have told EL SIGLO reporters that several Arab countries have asked leading members of our government to intercede before our highest-ranking authorities (Presidency of the Republic), in connection with an economic offer that would enable our country to pay off its foreign debt.

The offer involves an enormous sum of money (billions) which would not only enable Panama to cancel its foreign debt but also to launch social development programs in various areas in the interior.

This money which, according to the source, has been offered at the lowest interest rates, comes from the enormous oil sale profits (petrodollars) and has been offered in an effort by the Arabs to establish relations with Panama now that the U.S. Government headed by Ronald Reagan is trying to establish a blockade in the wake of certain diplomatic frictions with the Arabs, especially with the Libyan Government headed by Mu'ammar al-Qadhdhafi.

According to the source, our previous commitments with the IMF and the World Bank do not allow us to accept these offers which are, nonetheless, an economic alternative in the search for solutions to our country's current economic crisis.

BELIZE

NATION RECEIVES FOREIGN FINANCIAL AID

Canadian Government

FL100322 Belize City Domestic Service in English 0100 GMT 10 Jan 86

[Excerpt] The Belize Agency for Rural Development, BARD, has received a check from the Government of Canada for 10,430 Belize dollars. The check was [words indistinct] program coordinator by two officials from the Canadian High Commission in Jamaica, Mr (Phillip Spence) and Mr (Haymond Round). BARD, a 1-year-old [word indistinct] organization seeks to promote rural community development in [word indistinct] by providing managerial and [word indistinct] to [word indistinct] properties.

FRG Government

FL110240 Belize City Domestic Service in English 0100 GMT 11 Jan 86

[Text] The Government and people of West Germany have donated to the Government of Belize some 9,000 Belize dollars. The money will be used to purchase two new water pumps for the Belmopan water system. The honorary counsel from the Federal Republic of Germany Mr Abel Lopez presented the gift to the minister of energy and communications Mr Israel Alpuche. The handing-over ceremony was held at [name indistinct] office in Belize City and was attended by the chief executive officer, Mr Albert (Hoy).

COSTA RICA

MONGE CANCELS TRIP TO GUATEMALAN INAUGURATION

PA131905 San Jose Radio Reloj in Spanish 1730 GMT 13 Jan 86

[William Cespedes report from San Jose's Juan Santamaria Airport -- live]

[Text] Just as we had reported, President Luis Alberto Monge Alvarez has called off his trip to Guatemala to attend the inauguration of President-elect Vinicio Cerezo.

A communique released by the Presidential House here at the airport says:

We are pleased to again render tribute to General Oscar Humberto Mejia Victores for having steered Guatemala back to democracy. An important delegation headed by Foreign Minister Carlos Jose Gutierrez will represent Costa Rica at the inauguration of the new Guatemalan Government.

The Costa Rican president reserves for another occasion the pleasure of again meeting with Dr Vinicio Cerezo and reiterating his support for and solidarity with the political process that begins tomorrow, 14 January.

An inadvisable turn in the electoral campaign, which is now in its final and decisive stage, has led the president of the Republic to conclude that he must not leave the country during these next few days.

Removing a matter from the hands of the court of justice to make it a topic of electoral debate and to pressure these courts for political, electoral purposes is harmful to the country's institutional stability.

In the case of embezzlement of funds of the National Emergency Fund, there was no connivance on the part of Vice President Armando Arauz with those guilty of this crime. This distinguished official has not interfered with the investigations and has at all times punctiliously respected the proceedings conducted by the judicial authorities. We fully trust the actions and decisions of the courts of justice and are certain that Arauz' lifetime record of honesty will come out shining and pure as it always has, says the message released by President Monge upon cancelling his trip to Guatemala.

In the meantime, we have talked with Foreign Minister Gutierrez, who made the following remarks about President Monge's decision:

[Begin recording] [Gutierrez] I [word indistinct] his decision not to attend the inauguration of President Cerezo He told me that he was doing this for the reasons stated in the communique. The accusation against Arauz was reiterated on Friday, and he said that he thought he should not leave the country. [Word indistinct] me to communicate with Guatemalan Foreign Minister Fernando Andrade, which I did almost immediately, to announce his decision not to attend the ceremonies that will begin today in Guatemala.

[Cespedes] [Words indistinct] the composition of the Costa Rican delegation?

[Gutierrez] No, actually that is the only change. I would say all of the members of the delegation are the ones who had been appointed. Former Vice President Fait was [words indistinct], and (Rodolfo Quiroz), who traveled to Guatemala over the weekend. There is also (Carlos Ugalde) and [name indistinct], chief of the presidential protocol office.

[Cespedes] What can you tell us regarding the talks that would be held (?tonight) to continue with the efforts of the Contadora Group?

[Gutierrez] Well, minutes before leaving the Foreign Ministry offices, I received two telexes. One is to invite me to the meeting, which will be held tonight at 2000 at the Venezualan Embassy in Guatemala, and the other contains the text of the declaration issued by the [foreign] ministers of the Contadora and support groups, who met in Caraballeda, Venezuela. I must confess that I have not had time to read it yet because the messages were delivered to me at the very minute I was leaving the Foreign Ministry building.

[Cespedes] Are you optimistic about achieving positive results at this meeting in Guatemala?

[Gutierrez] I would like to say that I can clearly see the difficulties in making any progress. However, I will of course do everything within my power to enable the Contadora Group to progress. If it can indeed move ahead, I will feel very pleased.

[Cespedes] What is the position of the Costa Rican Government regarding Vincio Cerezo's (?inauguration) and a constitutional government in Guatemala?

[Gutierrez] [Words indistinct] I am extremely pleased that Guatemala has taken the path of constitutionality. We are extremely pleased that it will have a president elected by the Guatemalan people in elections that were clean and indisputably accepted by all.

We think that tribute must be rendered to Gen Mejia Victores because he kept his word and because he has completed all stages for Guatemala to return to constitutional rule. As President Monge told President [as heard] Cerezo during his visit to Costa Rica, the Costa Rican Government will support any efforts he may make to lead Guatemala through the path of democracy.

We salute Guatemala's emergence as a new democracy in Central America with utmost happiness and utmost joy.

I said several months ago that there were two treaties I wanted to sign because I regarded them as the culmination of my efforts at the Costa Rican Foreign Ministry. I have already signed one of them. It is the cooperation agreement between the EEC and Central America. The other one I would be delighted to sign would be the Contadora Document. [end recording]

[Cespedes] These were the statements made by Foreign Minister Gutierrez, who is leaving at approximately 1240 via Mexicana de Aviacion for Guatemala, heading the Costa Rican delegation to the inauguration of Vinicio Cerezo. As reported, President Monge Alvarez has called off his trip and Gutierrez now heads the delegation to the inauguration of the new Guatemalan president.

PRESIDENT MEETS WITH SPANISH FOREIGN MINISTER

PA131231 Panama City ACAN in Spanish 0241 GMT 13 Jan 86

[Text] San Jose, 12 Jan (ACAN-EFE) -- Costa Rican President Luis Alberto Monge today met for 90 minutes with Spanish Foreign Minister Francisco Fernandez-Ordonez at the president's home in Pozos de Santa Ana, 18 km east of San Jose.

The two officials did not disclose any of the matters discussed, but a source close to the president said that the main topic of discussion, in addition to bilateral affairs, was the prevailing situation with the Sandinist government.

According to the source, who asked not to be identified, Monge did most of the talking, explaining in detail and in depth his views on Central America, particularly regarding Nicaragua.

Accosted by journalists at the end of his meeting with the president, the minister refused to report on the nature of the talks, arguing that he does not usually tell the press about what he discusses with heads of state. Other sources have indicated that Monge referred to the Nicaraguan situation as seen from here because, it was said, this situation has gone beyond Nicaragua's borders.

Reportedly, Monge told the Spanish minister that Nicaragua is starving, that there is a shortage of all kinds of staples, that it is plain for all to see that internal unrest has begun, and that the situation could become chaotic. It has also been reported that during the meeting, also attended by Spanish Ambassador Mercedes Rico and other officials, Monge said that Nicaraguan Interior Minister Tomas Borge called him by telephone a short time ago and asked him to mediate so that the Costa Rican press would lower the tone of its attacks against the Sandinist government. Still unofficially, Monge reportedly told Borge that in this country the president holds no power over the newspapers and that, therefore, the relations between the two nations could not be improved that way.

Another topic discussed was the humanitarian aid that the anti-Sandinists currently get from the United States, but the source claimed he could not hear what was said.

Early on Monday, Fernandez Ordonez will meet with the EEC ambassadors to Costa Rica. At noon, he will leave for Guatemala to attend the inauguration of Christian Democratic President Vinicio Cerezo Arevalo.

Fernandez-Ordonez Ends Visit

PA131833 Panama City ACAN in Spanish 1704 GMT 13 Jan 86

[By Agustin De Gracia]

[Excerpts] San Jose, 13 Jan (ACAN-EFE) -- The Spanish foreign minister today ended his visit to Costa Rica, in which he reviewed the regional situation with Spanish ambassadors accredited to the area and signed important agreements with the Costa Rican Government.

Francisco Fernandez-Ordonez will leave for Guatemala today, where he will attend the inauguration of President-elect Vinicio Cerezo, and will also make a stopover in Managua to meet with Sandinist officials.

In his talks with Costa Rican officials, Fernandez Ordonez signed two cooperation agreements and an agreement for the installation of a relay station for Radio Exterior de Espana, whose cultural and political importance was thoroughly highlighted by the foreign minister.

The last activity of the Spanish minister in this capital was a meeting with ambassadors of the European Economic Community accredited in this capital to reiterate the Spanish intention of serving as a bridge between the Common Market and Latin America.

EL SALVADOR

PRESIDENT DUARTE DEPARTS FOR GUATEMALA

PA131824 Paris AFP in Spanish 1759 GMT 13 Jan 86

[Text] San Salvador, January 13, (AFP) -- Salvadoran President Jose Napoleon Duarte today left for Guatemala to attend tomorrow's inauguration of the Guatemalan president-elect, Christian Democrat Vinicio Cerezo.

Duarte left from the Ilopango Military Airport, 12 km from here, at 1020 (1620 GMT). He did not make any statements to the press. Duarte is accompanied by his wife, Ines Duran de Duarte, Guillermo Guevara, president of the Legislative Assembly, and other officials.

GUATEMALA

SECURITY FORCES ON ALERT FOR INAUGURATION

PA132015 Panama City ACAN in Spanish 1939 GMT 13 Jan 86

[Text] Guatemala City, 13 Jan (ACAN-EFE) -- The security forces of the Guatemalan Government are in a state of alert to protect the foreign delegations that will be present for the presidential inauguration of Vinicio Cerezo, of the Christian Democratic Party [PDC].

Police and Army soldiers are working together to implement security measures, especially at Guatemala City's La Aurora International Airport and at the Guatemalan Air Force base where important people who will be present for the event have begun arriving. There are also strict security measures at the National Theater, where the inauguration ceremony will take place, in areas close to the Government Palace, in the city's downtown, and at the embassies accredited in Guatemala. The security agents are armed and move about in cars provided with light artillery weapons. The objective of the large police and military deployment is to maintain public order during the change-of-government activities to take place tomorrow, Tuesday, and to guarantee the security of the visitors.

According to reports, the threats made by the clandestine Secret Anti-communist Army (ESA) as well as the disgust of rightist organizations have caused the security measures increase in the capital. ESA has said that it will act against Nicaraguan President Commander Daniel Ortega if he comes to Guatemala. The rightist organizations are also opposed to Ortega's visit.

Some of the important people who will be present for the presidential inauguration include the Central American presidents, U.S. Vice President George Bush, and other important Latin American and European politicians. Honduran Foreign Secretary Edgardo Paz Barnica, UN Deputy Secretary General Hugo Navajas, and Uruguayan Vice President Enrique Tarigo have already arrived at this capital. Luigi Boselli, EEC representative for Latin America; FRG Economic Cooperation Minister Juergen Warnke; and a special envoy of Pope John Paul II, Msgr Girolamo Prigione, are also in Guatemala for the event.

MEJIA CREATES SECURITY COUNCIL INTELLIGENCE POST

PA131912 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 13 Jan 86

[Excerpts] Chief of State General Oscar Mejia Victores has signed 16 decree-bills. They were published on Friday, 10 January, in the OFFICIAL GAZETTE. Most of them will go into effect tomorrow, Monday.

One decree calls for the creation of a State Security Council, which will be composed of the president of the Republic, as commander in chief of the Army; the defense, foreign, government, communication, finance, economy, and energy and mines ministers; the national defense chief of staff, the secretary of National Intelligence and Security -- a new post -- and other officials to be appointed by the president. Another decree acknowledges the existence of Civil Defense Committees throughout the national territory. These committees are supported and coordinated by the National Defense Ministry. The decree establishes that these committees have citizen rights and obligations and will be subject to Army court rulings.

CEREZO PROMISES TO CHECK POLITICAL VIOLENCE

PA130258 Buenos Aires REUTER in Spanish 2230 GMT 12 Jan 86

[By Anne-Marie O'Connor]

[Excerpt] Guatemala City, 12 Jan (REUTER) -- Guatemalan President-elect Vinicio Cerezo has said he would not oppose the Supreme Court if it decides to investigate the participation of military officers in the violation of human rights.

"I will support them," he told REUTER during an exclusive interview conducted last night. "But if there is a desire to end the war, the past must be put behind us."

Cerezo reiterated his belief that to carry out a purge among the military men who have ruled Guatemala for three decades would be counterproductive, but he added that he would not block the court should it decide to launch an investigation into the violation of human rights.

Several human rights groups have accused the Army of being responsible for the deaths of 100,000 people and the disapperance of another 38,000 in its war against the leftist guerrillas.

"They were all involved in the violence," Cerezo said, "but that should be put behind us. If I launch an investigation and trials, I would only be encouraging reprisals. If I sentence a military officer, the military men will ask me to sentence a guerrilla."

However, Cerezo indicated that there would be severe sanctions against anyone becoming involved in violence in the future.

"Within the framework of the law, I will be truly very tough regarding violence from both left and right," he said. "Anyone who violates the law, even military officers, will feel the full weight of the judicial system," he added.

HONDURAS

AZCONA ON FINANCE, SECURITY COUNCIL MEETING

PA131601 Tegucigalpa Voz de Honduras in Spanish 1145 GMT 13 Jan 86

[Report by Julio Armando Valdes on interview with Honduran President-elect Jose Azcona de Hoyo by unidentified reporters; date and place not given]

[Text] Honduran President-elect Jose Azcona del Hoyo reported the following with regard to his meeting with IDB executives:

[Begin recording] [Azcona] They are the representatives of Central American Governments to the IDB, and they came to brief us on the status of the financing granted and to be granted to Honduras.

[Question] Did they talk about any amounts?

[Azcona] Yes, they gave us a complete document about the status of the loans, the disbursement of the loans, and future plans.

[Question] Will IDB President Antonio Ortiz Mena visit our country? When? Was this topic discussed?

[Azcona] No, no, (?not much). [Words indistinct] visit in Washington next week. One of the visits we plan to make is one to the IDB, during which we will discuss matters of interest to Honduras.

[Question] Do you feel there will be full and effective support through the IDB executives?

[Azcona] Yes. We are under the impression that the projects will continue and that this will depend on the speed with which the incoming government submits new projects.

[Question] Will you be present at the inauguration of Guatemalan President-elect Vinicio Cerezo?

[Azcona] We will be arriving at approximately 0900.

[Question] Regarding other topics, what did you discuss with the National Security Council?

[Azcona] Matters related to national security and the political situation in (?Central America).

[Question] How about Nicaragua?

[Azcona] We barely discussed the subject. (?We spoke) more about the matter of El Salvador. In general, I was briefed on the status of the [words indistinct] with El Salvador and the (?rest) were matters of the exclusive concern of the National Security Council, and we have no right to divulge anything on this.

[Question] Did you discuss the matter of the presence of the contras, and what measures will be adopted?

[Azcona] The truth is that what we talked about is very private and I have no reason to...[changes thought] I have (?given assurances) to the National Security Council [words indistinct] have not assumed office, and I have no right to make disclosures as this would not be right. Also, there are matters I would not describe as secret but that must be kept in the necessary confidence.

[Question] Do you confirm the appointment of (Edmund L.) Bogran to the Finance and Public Credit Secretariat and of (Maria Elisa de Martinez Paveti) in education?

[Azcona] The decision on this is not final.

[Question] (?And how about) education?

[Azcona] No final decision has been made on this either.

[Question] Is Ms (Paveti) a candidate?

[Azcona] She is one of the candidates. [end recording]

ARMY OFFICERS TRANSFERRED, DISSENSION DENIED

PA111709 San Pedro Sula TIEMPO in Spanish 10 Jan 86 p 8

[Text] Tegucigalpa -- The Armed Forces officially announced yesterday that three changes have been made within the military institution and corrected a Tegucigalpa newspaper report according to which Colonel Mario Amaya Amaya had been imprisoned because he had refused to accept his transfer to La Mosquitia.

A report from the Armed Forces' Public Relations Office states:

1. The Army's general commander has informed the Armed Forces' commander in chief that routine changes have been made in:

a) The 110th Infantry Brigade Command
b) The Special Forces Command
c) The 5th Infantry Battalion

2. In connection with these changes, the general commander of the Army has informed the Armed Forces' commander in chief that no officer has at any moment notified him that some officers do not agree with the command rotations.

3. Therefore, the report published today, 9 January 1986, in a Tegucigalpa newspaper that Infantry Colonel Mario Amaya Amaya -- who has never been arrested and much less imprisoned -- rebelled because of his recent appointment, is completely false. This kind of false information serves only to misguide the people and to discredit the armed institution because it belittles the merits of excellent officers who, like Lt Col Amaya, have always shown respect, discipline, and loyalty to their superior and to the Honduran Armed Forces.

Tegucigalpa, 9 January 1986.

NICARAGUA

ORTEGA LEAVES FOR GUATEMALAN INAUGURATION

PA131614 Hamburg DPA in Spanish 1546 GMT 13 Jan 86

[Text] Managua, 13 Jan (DPA) -- Nicaraguan President Daniel Ortega left today for Guatemala to attend the inauguration of President-elect Vinicio Cerezo of the Christian Democratic Party tomorrow.

Ortega was accompanied by Foreign Minister Miguel D'Escoto, Julio Lopez, the FSLN's International Relations director, and Captain Ricardo Wheelock, director of military intelligence.

In addition, the delegation is made up of Information Minister Manuel Espinoza and Tourism Minister Herty Lewites. Ortega did not make any statements when he left "Sandino" Airport, and there was no press coverage of the event.

Ortega proposed to the Contadora Group, which held a meeting in Venezuela this weekend, a meeting of Central American presidents in May to sign a peace treaty that would be drafted during the Cerezo inaugural events.

D'ESCOTO COMMENTS ON REAGAN FOREIGN POLICY

PA121815 Managua BARRICADA in Spanish 10 Jan 86 p 3

[Excerpt of interview with Nicaraguan Foreign Minister Father Miguel D'Escoto by unidentified BARRICADA newsman; place and date not given]

[Text] BARRICADA: In his 10 January 1927 address to Congress, U.S. President Calvin Collidge justified U.S. intervention in Nicaragua using the same arguments the Reagan administration is using. What are your views on the relationship between these two dates [as published] and the attitude of the two U.S. presidents?

D'Escoto: Our current problem with the United States -- Nicaraguan President Ortega himself has repeatedly stated this -- is not exclusively a problem with President Reagan. The problem with the United States lies in the fact that they feel that it is in their vital interest to maintain a degree of control, or hegemony, in Latin America. Nicaragua is not willing to continue to accept that. Nicaragua is an independent and sovereign country. From now on, the United States will have to recognize that. Here lies the root of the problem with the U.S. Administration. However, that is a historical problem that will continue creating tension and causing deaths and interventions all over Latin America, until the United States redefines its vital interests, which must exclude maintaining control over Latin America's political, economic, and social destiny.

Nicaragua's stance is at odds with the traditional stance adopted not only by U.S. Governments, but also that country's traditional stance. Therefore, we should not be surprised by the similarities between Coolidge's address in 1927, and Reagan's current stance.

Many people feel history keeps repeating itself with the Reagan administration's current policies. However, many things have changed, because back then the United States would not have found it necessary to fabricate justifications for conflicts with Central American countries; it would have simply moved in. Nowadays, the United States tries to camouflage the true reasons for its interventions. It tries to intervene in a more indirect fashion. They are more careful, especially since the Vietnam war.

This is why they try to turn neighboring countries into aggression bases and finance mercenary bands. The idea is not to risk the lives of U.S. soldiers in Nicaragua. This is what has changed. They are trying to invent pretexts but the whole world is clear on this. The United States tries to justify its actions claiming that it is defending a church that is being persecuted by the revolution or defending a church that is being persecuted by the revolution or defending the Nicaraguan people whose human rights are being violated. The North Americans invent all sorts of stories when the whole world knows that it is they who are violating the people's rights by systematically murdering hundreds of Nicaraguans.

BARRICADA: The answer to this U.S. attitude 60 years ago was the struggle waged by General Sandino. How do you view the way that the Nicaraguan people are responding to imperialism now?

D'Escoto: This is a struggle. This is a continuation of the struggle initiated by Sandino and, before Sandino, by Zeledon and the patriots who defended the fatherland's sovereignty. Today the struggle is being waged by all the children of Sandino who emerged from the blood spilled in Managua when the general of free men was murdered and when all the peasant families who had accompanied him in Wiwili were murdered on orders from the North Americans.

By doing this they expected to extirpate Sandinism forever. But that spilled blood produced this harvest of patriots who are now struggling with the spirit of Sandino and who will undoubtedly inflict a new defeat on the imperialist forces.

BARRICADA: In your opinion what is the most dangerous aspect for Nicaragua of the Reagan adiminstration's policy?

D'Escoto: At this moment I would say that the main danger is that the United States maintains its political decision to destroy the Sandinist people's revolution by using every possible means including a direct intervention. The danger is that they may not have enough common sense to realize that the Sandinist people's revolution is an irreversible process.

Nicaragua does not represent any threat to the legitimate interests of the United States. What we want is what they want: respect for rights. We demand that our rights be respected. The United States, however, is used to meddling policies. We regret that we must upset them, but we must struggle, and we are going to continue struggling to make sure that the blood of our martyrs and heroes produces the necessary fruits and to assure respect for our sovereignty.

BARRICADA: Father D'Escoto, how do you view the current attitude of the U.S. Congress -- which has approved funds for the war against Nicaragua -- and the position adopted by the U.S. Congress during Coolidge's days?

D'Escoto: The U.S. Congress has been in a regrettable situation as far as leadership goes. It gives up in spite of the fact that it knows very well that Reagan's policies are, as some congressmen have admitted, not only illegal but also immoral.

The U.S. Congress has practically become an accomplice of President Reagan. In the next few weeks, the International Court of Justice will officially condemn the U.S. policy [toward Nicaragua] and at that moment the U.S. Congress will be viewed as an accomplice of the criminal policy of President Reagan.

This is the truth, and it is regrettable because the United States claims world recognition as a government interested in the promotion of democracy. But how can there be democracy if one does not respect democracy? One cannot talk about democracy in a state of submission to a foreign power. Independence does not guarantee democracy, but without independence there cannot be democracy.

They talk about human rights, but isn't the right to live the most sacred of all human rights? The United States, through its mercenaries, is violating human rights by committing many crimes.

They speak against terrorism and its agents, but they, with U.S. money and with the knowledge and the authorization of the U.S. President himself, publish manuals on terrorism. If anything has been gained by the international community from the U.S. actions regarding Nicaragua is that they have served to unmask, to make clear, and to leave naked the true nature of the monster.

ENVOY TO VENEZUELA VIEWS CONTADORA 'MESSAGE'

PA131443 Managua Radio Sandino in Spanish 1200 GMT 13 Jan 86

[Excerpt] Aldo Diaz Lacayo, Nicaraguan ambassador to Venezuela, has stated that the message of Caraballeda [venue of recent Contadora meeting] is a retaining wall against the theory of a military solution for the Central American conflict, as promoted by the United States.

The Nicaraguan diplomat added that the foreign ministers also said that the Central American crisis has united Latin American political will.

Diaz Lacayo noted that this crisis is facing, with the formality [formalidad] needed, the [word indistinct] with the U.S. Government. There is no doubt that the Contadora and support group foreign ministers echo the concern and the demand of the Latin American peoples that the basic principles of international law for the benefit of the region be respected, he stressed.

SPANISH MINISTER CITED ON FUTURE EMBASSY TALKS

PA131944 Managua Radio Noticias in Spanish 1200 GMT 13 Jan 86

[Excerpts] Spanish Foreign Minister Francisco Fernandez-Ordonez, currently visiting Costa Rica and preparing to visit Nicaragua, has said that more meetings between the Sandinists and the opposition should take place, sponsored by the Spanish Embassy in Managua.

We are receiving an ACAN-EFE dispatch datelined San Jose, Costa Rica, 13 January: Spanish Foreign Minister Francisco Fernandez-Ordonez is meeting with the Spanish ambassadors accredited in Central America and the Caribbean.

In diplomatic circles it is being said that Nicaragua is one of the strong points at this meeting, especially after it was learned that last year the Spanish Embassy in Managua served as host for a meeting between the Sandinist Government and the internal political opposition. Sandinist leader Rafael Solis and opposition leader Virgilio Godoy met twice, in July and September, at the Spanish Embassy. The two meetings were held in strict secrecy. Fernandez-Ordonez said that two meetings were held, and I cannot deny that other meetings could be held. However, publicity does affect the meetings.

The information regarding these meetings was disclosed by a U.S. newspaper late last year and later confirmed by the Spanish Foreign Ministry. Diplomatic circles have said that the disclosure of this information may have been a U.S. State Department maneuver to make these talks fail. Since the disclosure of this information, the two parties have been reluctant to hold future meetings. Foreign Minister Fernandez-Ordonez last night expressed his concern regarding the existence of someone who disclosed the fact that the meetings were held at the Spanish Embassy as an attempt to make these meetings fail. Fernandez-Ordonez said that he does not believe that the United States intervened in this.

The information published by THE NEW YORK TIMES hinted that the dialogue at the Spanish Embassy was aimed as an alternative to the Contadora Group's peacemaking efforts in the region. Fernandez-Ordonez strongly denied this in Costa Rica and in Spain.

Fernandez-Ordonez refused to comment on Spain's position regarding Nicaragua before his tour, which will also take him to Guatemala and Nicaragua, concludes.

This has been the ACAN-EFE dispatch.

MINISTRY HIGHLIGHTS FOREIGN ECONOMIC COOPERATION

PA131925 Managua Radio Sandino in Spanish 1300 GMT 12 Jan 86

[Text] According to statistics from the Foreign Cooperation Ministry, Latin America has first place in the economic cooperation that Nicaragua receives.

Following the triumph of the Sandinist revolution, Nicaragua drafted an economic strategy to develop its agricultural activity, closely linked with industry, in an effort to export its primary products with a high aggregate price to bring larger revenues to the country.

This difficult task cannot be carried out in one year or two; however, we are already seeing the initial fruits of it. This year we will install the equipment and machinery to boost the Las Fortalezas agro-industrial project in Sebaco Valley while the Esteli textile plant is being designed. This textile plant will serve to process more than 75 percent of the country's cotton production, in addition to other strategic projects that are giving way for Nicaragua's new economy.

These programs are financed by Latin American, socialist, and Western European countries, which resulted in more than $4 billion that Nicaragua has received through loans and credit lines, except for approximately $1.6 billion inherited from the Somozist administration.

Statistics from the Foreign Cooperation Ministry show that 30 percent of the debt is from Latin America, 24.4 percent from socialist countries, 25 percent from multinational organizations, 11.3 percent from Western Europe, and the remainder from African and Asian countries, as well as other suppliers.

The credit lines granted by Latin American countries are characterized by the fact that they are mostly aimed at imports of consumer goods and services. Meanwhile, the lines received from socialist countries are used to obtain capital goods, the production of other consumer goods, or to increase the value of our agricultural products.

The USSR has given us credit lines to obtain equipment and machinery for agriculture, mining, communications, and fisheries. In addition, it supplies more than 80 percent of the crude oil needed by the nation.

Cuba delivered machinery to refine sugar. This debt was approved by Cuban President Fidel Castro on 11 January 1985. In addition, it delivered equipment and machinery for the cement company and the poultry and meat industries.

Czechoslovakia has helped with capital goods for a textile plant that will be the most modern in Central America and will have the capacity of absorbing 100 percent of the cotton production.

The credits from Bulgaria are used to acquire food processing plants and to invest in the chemical and pharmaceutical industry and the energy and communications sectors.

The FRG has granted Nicaragua trucks and machinery for the chemical and construction industries. The DPRK helps with raw materials for the metal, mining, and steel industries.

This economic cooperation was reaffirmed after the first meeting of CEMA member-countries with our nation was reaffirmed at this meeting.

Despite the mercenary aggression, the projects continue for the construction of the economic foundations of the new revolutionary society.

SALVADORAN PEACE MARCHERS TARGET OF ATTACK

PA131342 Managua Radio Sandino in Spanish 1200 GMT 13 Jan 86

[Text] Unidentified individuals attacked the march for peace and dialogue on Saturday. The march was forced to return to San Salvador after the Army stopped it several times.

SALPRESS indicated that the pacifists who gathered at the Metropolitan Cathedral yesterday reported that the attack occurred after troops stopped the caravan half-way to Santa Ana in western El Salvador.

According to them, several unidentified men fired at the marchers from a car near Cuidad Arce, but the bullets did not reach the vehicles of the pacifists' contingent.

ANTI-SANDINISTS RESUBMIT PEACE OFFER VIA SPAIN

PA131719 Panama City ACAN in Spanish 1445 GMT 13 Jan 86

[By Agustin De Gracia]

[Text] San Jose, 13 Jan (ACAN-EFE) -- The leading anti-Sandinist force has asked Spanish Foreign Minister Francisco Fernandez-Ordonez to resubmit to the Nicaraguan Government a former offer of national reconciliation.

In a letter to the Spanish foreign minister that was released yesterday at midnight, Adolfo Calero, Alfonso Robelo, and Arturo Cruz, paramount leaders of the Nicaraguan Opposition Unity (UNO), asked the Spanish official "to intercede" in view of the visit he will make to Nicaragua on 15 January.

The peace offer, which the anti-Sandinists wish to resumbit through Fernandez-Ordonez, was submitted in March 1985 but was turned down by the Sandinist Government. The opposition's offer calls for a national dialogue among all Nicaraguan political and Armed forces with the Episcopal Conference as mediator. The anti-Sandinists offer to recognize Daniel Ortega as president of Nicaragua until new constitutional elections are held and to observe a ceasefire while the peace talks are under way.

The letter addressed to Fernandez-Ordonez was delivered yesterday at the Spanish Embassy in this capital and released to Spanish reporters at approximately midnight.

Robelo said that Spain has been playing an "important and salient role in political developments in Nicaragua," particularly since last year, when representatives of the Nicaraguan Government and the domestic opposition met at the Spanish Embassy in Managua.

Robelo agrees with this effort by the Spanish Embassy in Managua even though he considers it "incomplete" because "if large sectors of the opposition are not taken into account, it will be partial and cannot bring peace to Nicaragua."

The anti-Sandinist leader admitted that the offer they want to reiterate has already been turned down by Managua, but it "may be successful somehow" because of the "authoritativeness" of a "qualified mediator" like Fernandez-Ordonez.

"The mediator is always important; we think it is worthwhile to revive the peace offer now because circumstances change," said Robelo.

Donald Lacayo, representative of Adolfo Calero, who is the foremost political-military leader of the Nicaraguan Democratic Force, said that if the Sandinists do not open the door to dialogue "they will leave power the way they seized it."

Cruz, who was also present during the press conference held with Spanish newsmen, stressed that the anti-Sandinists want the peace offer to be reiterated by a "qualified person" like Fernandez-Ordonez and denied that this action may undercut the visit Fernandez-Ordonez will make to Managua on Wednesday.

The anti-Sandinist leaders insisted that they had not had any contact with Fernandez-Ordonez or the Spanish ambassadors accredited to this area, who are gathered in this capital for the visit by the foreign minister.

A Spanish diplomatic spokesman said last night that he knew about the letter addressed to Fernandez-Ordonez by the anti-Sandinist opposition, but declined to make comments.

During his visit to Costa Rica, Fernandez-Ordonez has declined to make any in-depth remarks about the situation in Nicaragua and relations with Spain prior to his visit to Managua on Wednesday.

Fernandez-Ordonez, who has been visiting Costa Rica since Saturday left today for Guatemala to attend the inauguration of Guatemalan President-elect Vinicio Cerezo.

CARDENAL THREATENS CULTURE MINISTRY EMPLOYEES

PA130413 Bogota EL SIGLO (NICARAGUA HOY Supplement) in Spanish 8 Jan 86 p 4

[Text] Managua -- Culture Minister Ernesto Cardenal has threatened to fire all ministry employees who do not go pick coffee in the northern part of the country.

Cardenal has addressed a circular letter to all ministry employees reminding them "that it is a patriotic duty to join the coffee picking activities in the north. [quotation mark as published]

In the letter he also reminds them that due to the country's difficult economic situation, a reduction in the ministry's personnel is imminent.

In his letter Cardenal adds that it is logical to assume that a decline in patriotic enthusiasm would be taken into consideration at the time of deciding who will retain their posts and who will leave.

ANGOLA REJECTS U.S. POLICY ON CUBAN WITHDRAWAL

PA132151 Havana International Service in Spanish 1800 GMT 13 Jan 86

[Pedro Martinez Pirez' telephone report from Luanda -- live or recorded]

[Text] Greetings, friends. This is Pedro Martinez Pirez, special envoy of Radio Havana, reporting directly from Luanda. If the imperialist camp thought that the visit to Luanda by U.S. Assistant Secretary of State Chester Crocker would serve to correct the internationalist policy of Angola toward southern Africa, it must have been disappointed by the brief speech delivered by Angolan President Jose Eduardo dos Santos during his meeting with the diplomatic corps for the traditional New Year's greeting.

The Angolan president rejected categorically the policy of the so-called constructive engagement that the U.S. Government has with the racist regime of Pieter Botha and the linkage [previous word in English] policy that wants to tie Namibia's independence to the withdrawal of internationalist Cuban forces. Dos Santos was clear in pointing out that Pretoria is the party solely responsible for the situation of war against Angola, Mozambique, Swaziland, Lesotho, Zimbabwe, and other Front Line countries.

He denounced in-depth air violations against Angola and the presence of South African regular forces in the provinces of Cunene and Cuando-Cubango, where they carry out operations against the Angolan Armed Forces. Dos Santos noted that in the province of Cunene alone there are three South African regular troop battalions divided into companies and detachments. The Angolan president pointed out the ridiculous ambiguities of U.S. conservative sectors, which on one hand demand the abolition of apartheid by peaceful means, while on the other resort to force and meddling in the domestic affairs of Angola by facilitating, alongside the racist regime, aid to UNITA bands to carry out terrorism and destabilize Angola.

According to Dos Santos, this position makes evident an alliance between Washington, other Western powers, and Pretoria -- a circumstance that worsens the situation in southern Africa. President Dos Santos made these statements only a few days after his talks with Chester Crocker, who was able to determine firsthand that Angola remains firm in the face of U.S. diplomatic maneuvers.

CUBA, USSR SIGN MEDIA PROTOCOL FOR CONGRESSES

FL131748 Havana Radio Reloj Network in Spanish 1502 GMT 13 Jan 86

[Text] A radio and television cooperation protocol between the USSR and Cuba for 1986-87 was signed today in Moscow. A.N. Aksenov and Ismael Gonzalez, heads of the USSR State Committee for Television and Radio Broadcasting and the Cuban Institute of Radio and Television, respectively, signed the document.

The cooperation instrument allows for reciprocal supplying of materials that reflect the plans and celebrations for the Communist Party of Cuba third party congress and CPSU 27th party congress, as well as the 70th anniversary of the Great October Revolution. The protocol also allows for special programming dedicated to regional festivals in the USSR and Cuba and the two countries' participation in international festivals.

GDR MINISTER DISCUSSES EDUCATION COOPERATION

FL140203 Havana Television Service in Spanish 0100 GMT 14 Jan 86

[Text] Today GDR Minister for University and Technical School Affairs Hans-Joachim Boehme held talks with Secretariat member Jose Ramon Balaguer. During the meeting, aspects of our people's preparations for the upcoming third party congress were discussed. Balaguer indicated that the basic task in education is to increase quality at primary, secondary, and high school levels to guarantee a comprehensive education for our children and youth. He also noted the need to strengthen technical education in higher education.

The GDR official underscored the effectiveness of the joint cooperation between the two countries, especially in creating and improving programs at various levels of higher and technical education. The GDR Socialist Unity Party of Germany Central Committee member met previously with Education Minister Jose Ramon Fernandez. Increased cooperation is aimed at improving teachers' training in the two countries for the next 5-year period.

Relations between Cuba and the GDR have always been satisfactory. Evidence of this are the results of these talks, which contribute to improving more and more the level of higher and technical education in our country.

HUNGARIAN DELEGATION SIGNS COOPERATION AGREEMENT

LD101107 Budapest MTI in English 1018 GMT 10 Jan 86

[Text] Havana, January 9 (MTI) -- The 14th session of the Hungarian-Cuban Economic and Technical-Scientific Cooperation Committee concluded its work with the signing of a protocol in Havana on Thursday. The negotiating delegation were led by Deputy Premiers Jozef Marjai and Jose Ramon Fernandez. The co-chairmen of the committee stated that the exchange of goods between the two countries develop as planned. New products have been included in Cuban export to Hungary. The parties discussed the opportunity of the Cuban production of goods which are necessary for the Hungary.

Over the past five years some 3,000 buses have been assembled in Cuba in Hungarian cooperation. The committee stated that the furtherance of Ikarus cooperation required the steady extension of the production of materials and spare parts in Cuba. Hungary takes part in the plantation and processing of lemon trees in Cuba and the construction of a nickel-cobalt processing plant. The parties are to examine the opportunities for cooperation in construction ventures in third countries.

The parties paid special attention to the further development of Hungarian-Cuban cooperation in 1986-1990. The parties entrusted planning authorities to conduct talks on plan coordination as soon as possible. The Hungarian deputy prime minister discussed bilateral relations, international political and economic issues and questions of socialist integration with Carlos Rafael Rodriguez, vice-president of the Cuban State Council and the Council of Ministers, Jose Lopez Moreno, president of the State Planning Office and vice-president of the Council of Ministers, and other members of the Cuban Government.

DOMINICA

GOVERNMENT DENIES PRISON ABUSE OF DLP'S JOHN

FL131720 Bridgetown CANA in English 1409 GMT 13 Jan 86

[Text] Roseau, Dominica, Jan 13, CANA -- The Dominica government today denied opposition allegations that former Prime Minister Patrick John, jailed last October for 12 years, is being held in inhuman conditions.

The Dominica Labour Party (DLP) had publicly expressed concern over the conditions under which John was being held at the Stockfarm prison just outside the capital, suggesting that he could well die even before an appeal against his conviction is heard. But Attorney General Brian Alleyne, in a statement to reporters today, dismissed the allegations, saying John was being held in normal conditions for convicted criminals. However, because of the nature of Mr John's offence, namely treason, and because of his connections with other people who would not hesitate to attempt to release him from prison and even overthrow the state if it is necessary, he is being kept in security conditions, Alleyne said.

John and former second in command of the now disbanded Dominica Defence Force Malcolm Reid were jailed for attempting, with others here and abroad, to overthrow the Eugenia Charles administration by force of arms in 1981. A third accused salesman Julian David received a five year jail term. All three men have filed appeals. Alleyne said that John had been receiving special treatment, including visits from his own private doctor as well as the prison physician, and that he is enjoying a special diet due to his alleged medical condition and he has had many more visits than any other prisoner.

It is not true that he is being denied basic ameneties and he is in good health said the attorney general, adding it is interesting to note that not once since his conviction has Michael Douglas (political leader of the DLP) visited Mr John at the prison and perhaps that is the reason for the grossly false information which he is putting out.

HAITI

'LITTLE SUPPORT' REPORTED FOR GENERAL STRIKE

PA131835 Paris AFP in Spanish 1800 GMT 13 Jan 86

[Text] Port-au-Prince, 13 Jan (AFP) -- Little support was reported today at 1100 local (1600 GMT) for the general strike called in Haiti this weekend through anonymous pamphlets distributed by young students; nevertheless, according to all observers, the entire country was gripped by a tense calm.

Activities in Port-au-Prince continued normally, with a very low percentage of absenteeism at several small-and medium-size businesses. However, trade and public transportation were functioning normally. A decrease was noted in the running of "Tap Tap" buses in certain popular neighborhoods, especially in Carrefour.

The cities in the interior of the country were normal. The government, however, kept schools and universities closed due to fears of student demonstrations.

In Gonaives, the fourth largest city in the country, peace reigned, and stores which were closed opened their doors during the course of the morning.

The pamphlets distributed over the weekend by students invited the people to participate in operation "Dechoukage" (to tear from the roots, in the native language) to topple the government by means of a general stike.

The "youth revolt" began on 28 November 1985, when government forces repressed an anti-government demonstrations, killing four people, three of them young students.

DUVALIER DISCUSSES CHURCH-STATE TIES WITH BISHOPS

PA131522 Hamburg DPA in Spanish 0335 GMT 13 Jan 86

[Text] Port-au-Prince (Haiti), 12 Jan (DPA) -- A communique aired tonight by Radio Soleil, the Haitian Catholic radio station, stated that two Haitian bishops were summoned to the National Palace by President-for-life Jean-Claude Duvalier to discuss relations between the church and the state.

Francois Gayot, bishop of Cap Haitien and president of Haiti's Episcopal Conference (CEH), and Emmanuel Constant, bishop of Gonaives and official in charge of the CEH's social affairs, attended the meeting.

The communique specifically stated that the topic of the meeting was the relations between the church and the Haitian state, and that "anything said contrary to this is untrue."

It seems that, with the communique, the bishops tried to confront rumors that have been circulating since last week concerning the possibility that certain bishops might be expelled from the country and that Radio Soleil might be closed again.

While schools and universities remained closed by government order, the possibilities for success of a nationwide strike remained unknown tonight. This strike was announced by a clandestine organization in an effort to paralyze the country.

In the communique read by Radio Soleil tonight, Bishops Gayot and Constant reported that the president asked them to go to the National Palace on Saturday afternoon but that due to urgent duties Duvalier had to fulfill, the meeting was postponed until Sunday at 1100.

JAMAICA

COUNTRY TO HOST CENTRIST POLITICAL LEADERS

FL131804 Bridgetown CANA in English 1503 GMT 13 Jan 86

[Text] Kingston, Jamaica, Jan 13, CANA -- Heads of government and leaders of centrist political parties of nine countries will meet in Jamaica on Thursday and Friday to form a Caribbean Democrat Union (CDU), the official JAMPRESS news agency said today.

JAMPRESS said Prime Ministers Eugenia Charles of Dominica, Herbert Blaize of Grenada, John Compton of St Lucia, John Swan of Bermuda, Dr Kennedy Simmonds of St Kitts and Nevis and Chief Minister John Osbourne of Montserrat are expected to attend.

It said that Belize and St Vincent and the Grenadines will also send delegations at the invitation of Jamaica Prime Minister Edward Seaga.

The main objective of the CDU is to bring together on a regular basis like-minded political parties in the Caribbean, JAMPRESS said. The CDU will also provide a forum where the political parties can exchange views on political matters of a regional and international nature.

It was not immediately clear whether political parties in Caribbean states where pro-American centrist parties are in power, as in Barbados, Trinidad and Tobago, and Antigua and Barbuda were invited. JAMPRESS said special guest at the conference will be Frank Fahrenkopf, chairman of the U.S. Republican Party, and Scott Hamilton, secretary general of the International Democrat Union (IDU).

Seaga said last November that the CDU was dedicated to resisting the temptation of the socialist movement and to preserving democracy in the region. Charles said the grouping was important to beat back the brainwashing of the Caribbean peoples by communist elements.

The CDU will be affiliated to the IDU.